



COUNCIL ON VIRGINIA'S FUTURE

★ COMMUNICATING RESULTS:



PATHWAYS TO PROGRESS

GOVERNING

MANAGING
PERFORMANCE

2007

Pathways to Progress



- Vision for Virginia and the Journey Toward Transparency and Assessment
Ms. Jane Kusiak, Executive Director
Council on Virginia's Future
- Gubernatorial Commitment to Outcomes and Citizen Transparency
The Honorable Wayne Turnage
Chief of Staff for Governor Tim Kaine
- Making Progress on Issues That Matter to Citizens
The Honorable Aneesh Chopra
Secretary of Technology



THE JOURNEY TOWARD TRANSPARENCY & ASSESSMENT

jane kusiak, executive director
council on virginia's future

Roadmap for Virginia's Future



A Public-Private Vehicle for Virginia's Long-Term Governance



Origin

An advisory board to the Governor and the General Assembly, officially codified into the Virginia Code.

A forum where legislative, executive branch and community leaders come together for work that transcends election cycles, partisanship, limited organizational boundaries and short-term thinking.

Purpose

Provide long-term focus on high priority issues.

Create an environment for improved policy and budget decision-making.

Increase government accountability, operations and performance.

Inform citizens about performance and engage them in dialogue about Virginia's future.

Membership

The Council has 18 members:

- The Governor who serves as chair
- Eight senior legislative leaders
- Seven business and community leaders
- Two members of the Governor's Cabinet

Performance Leadership and Accountability: From Here to There

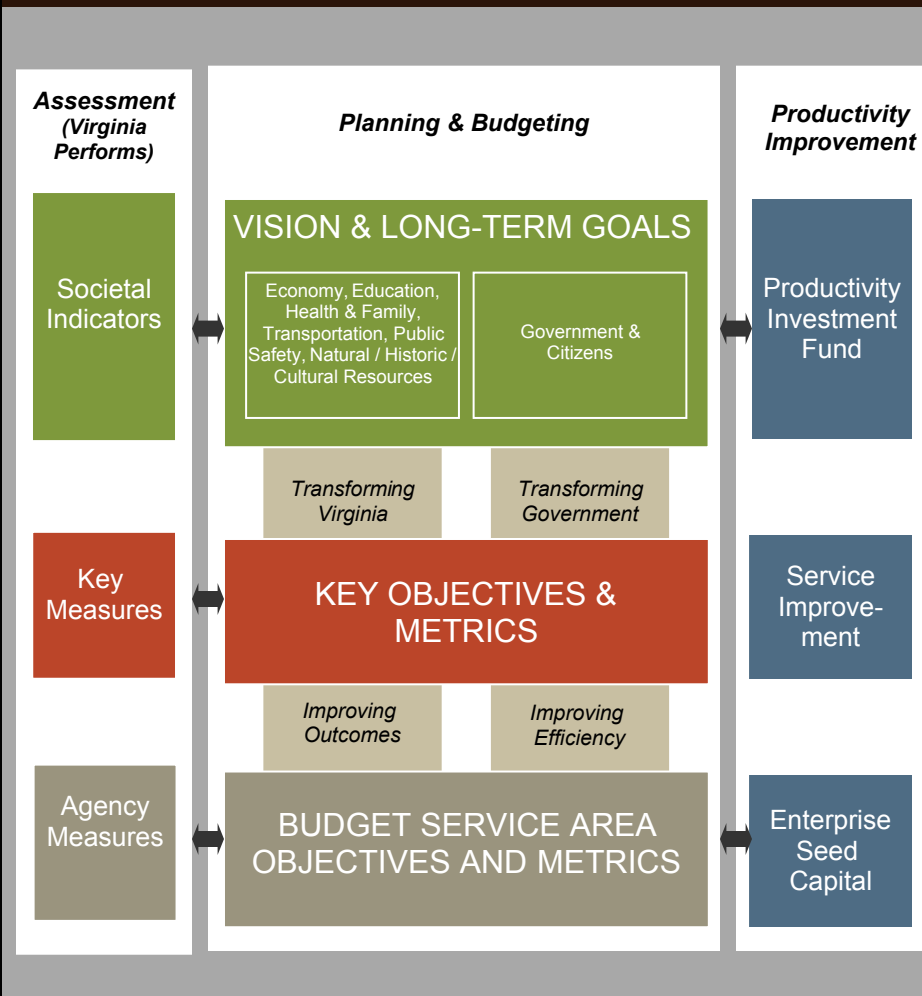
- Current State -

A foundation for outcome-driven decision-making has been established.

A new strategic planning and budgeting process has been established and is still in the early stages of maturation.

Outcome-oriented innovation and collaboration exist but are not embedded throughout the culture or supported by the organizational infrastructure.

A consistent focus on strategic, enterprise-wide operational effectiveness is beginning to emerge.



- Future State -

Outcome-driven collaboration and innovation drive ever-improving results.

Virginia Performs serves as a foundation to illuminate issues, and critical policy decisions are grounded in assessment of data and are outcome oriented.

An integrated financial management and budgeting system supports planning, accountability, transparency, and performance-based budgeting.

An organizational infrastructure (training, standard tools and methods, resources, incentives, administrative flexibility, etc.) is in place to support continuous improvement and innovation throughout the enterprise.

The drive for operational and programmatic excellence is sustained across administrations.

www.VaPerforms.virginia.gov

The screenshot shows the Virginia Performs website interface. At the top, a navigation bar includes links for Virginia.gov, Online Services, Help, Governor, and General Assembly, along with a search bar. The main header features the 'Virginia Performs' logo and a 'VISION FOCUS RESULTS' tagline. A callout points to the search bar, stating: 'Download a detailed demographic profile of the state.' Another callout points to a map icon, stating: 'Create local & regional maps and reports showing data on dozens of measures.' Below the header, a section titled 'Key Facts & Demographic Data' includes links for 'Intro', 'Map It', and 'Scorecard at a Glance'. A callout points to these links, stating: 'Instantly see how Virginia measures up in key areas.' The main content area features a photo of a family unpacking boxes, with a callout stating: 'Personal Income is Up. That means more Virginians are able to enjoy a higher standard of living.' Below this is a message from Governor Tim Kaine. A callout points to a 'Scorecard at a Glance' link, stating: 'View state agencies' objectives and measures for their programs and services.' At the bottom, a navigation menu lists various sectors: Economy, Education, Health & Family, Public Safety, Natural Resources, Transportation, and Government & Citizens. A callout points to this menu, stating: 'Explore how Virginia is doing in crucial areas that affect the quality of life.'

Download a detailed demographic profile of the state.

Create local & regional maps and reports showing data on dozens of measures.

Virginia.gov Online Services | Help | Governor | General Assembly Search GO

Virginia Performs VISION FOCUS RESULTS

Key Facts & Demographic Data Mapping: [Intro](#) • [Map It](#) • [Scorecard at a Glance](#)

A message from Virginia Governor Tim Kaine

The Commonwealth of Virginia is a spectacular place to live. We treasure the heritage and resources that contribute to our high quality of life, but it takes constant planning and fine tuning to maintain this quality and make needed improvements.

This website, brought to you by the Council on Virginia's Future, shows you how we measure the state's current performance, plan for the future and monitor our progress. Click on the links below to see how we're working to make Virginia strong and healthy. Thanks for visiting.

Governor Tim Kaine

Personal Income is Up
That means more Virginians are able to enjoy a higher standard of living.

Instantly see how Virginia measures up in key areas.

Scorecard at a Glance
State Agency Performance Measures & Management Scorecard

View state agencies' objectives and measures for their programs and services.

Home | About Virginia Performs

Economy Education Health & Family Public Safety Natural Resources Transportation Government & Citizens

Explore how Virginia is doing in crucial areas that affect the quality of life.

Benchmarking Government Outcomes on Virginia Performs

Scorecard at a Glance

Virginia Performs

VISION
FOCUS
RESULTS

Economy

Goal: Be a national leader in the preservation and enhancement of our economy.

Indicators:

Personal Income/ Wages and Salaries	↑
Poverty	↓
Unemployment	↑
Employment Growth	↑
Workforce Quality	→
Business Climate	↑
Business Startups	↑

Education

Goal: Elevate the levels of educational preparedness and attainment of our citizens.

Indicators:

School Readiness	→
Third Grade Reading	↑
Fourth Grade Reading & Math Achievement	↑
High School Graduation	↑
High School Dropout	↑
College Graduation	↑
Educational Attainment	↑
Lifelong Learning	→

Health & Family

Goal: Inspire and support Virginians toward healthy lives and strong and resilient families.

Indicators:

Family	
Adoption	↑
Foster Care	→
Child Abuse & Neglect	→
Community Health	
Teen Pregnancy	↑
Obesity	↓
Infant Mortality	→
Suicide	→
Health Insurance	→
Immunization	↑
Cancer	↑
Cardiovascular Disease	↑
Smoking	↑
Life Expectancy	↑

Public Safety

Goal: Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Indicators:

Crime	→
Juvenile Intakes	↑
Recidivism (Adult & Juvenile)	→
Traffic Fatalities	↑
Emergency Preparedness	↑

Natural, Historic & Cultural Resources

Goal: Protect, conserve and wisely develop our natural, historical and cultural resources.

Indicators:

Air Quality	↑
Water Quality	→
Solid Waste & Recycling	→
Land Preservation	↑
Historic Resources	→

Transportation

Goal: Ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

Indicators:

Traffic Congestion	↓
Infrastructure Condition	→
Land Use	→

Government & Citizens

Goal: Be recognized as the best-managed state in the nation.

Indicators:

Bond Rating	→
Taxation	↑
Voter Registration & Turnout	→
Consumer Protection	↓
Internet Access	↑

Legend

Performance Trend

↓	Worsening
→	Maintaining
↑	Improving

Indicator Page Content

Why is This Important?

How is Virginia Doing?
Over time
By Region
Compared to other states

What Influences the Indicator?

What is the State's Role?

An Opportunity to Reward Progress, Identify Areas Worthy of Review

Trends for Existing Indicators

	Improving	Maintaining	Losing Ground
Economy	Personal Income Unemployment Business Climate Business Startups Employment Growth	Workforce Quality	Poverty
Education	3rd Grade Reading 4th Grade Reading/Math High School Graduation College Graduation Educational Attainment	School Readiness Lifelong Learning	
Health and Family	Adoption Teen Pregnancy Immunization Cancer Cardiovascular Disease Smoking Life Expectancy	Foster Care Child Abuse Infant Mortality Suicide Health Insurance	Obesity
Public Safety	Juvenile Intakes Traffic Fatalities Emergency Preparedness	Crime Recidivism	
Natural Resources	Air Quality Land Preservation	Water Quality Solid Waste & Recycling Historic Resources	
Transportation		Land Use Infrastructure Condition	Traffic Congestion
Government and Citizens	Taxation Internet Access	Bond Rating Voting	Consumer Protection

Aligning Agency Objectives with Societal Goals



SOCIETAL INDICATOR					AGENCY		
Indicator	Performance Trend	State Influence	State Ranking		Agency	Key Measure	Baseline/Target
EDUCATION							
Third Grade Reading	↑	●	-		Education	Third graders passing the reading SOL test	84% / 95%
High School Graduation	↑	●	12		Education	High school students exiting with a diploma	74% / 80%
HEALTH AND FAMILY							
Infant Mortality	→	●	34		Medical Assistance Services	Medicaid/FAMIS-covered births at normal birth weight	90% / 92%
Immunization	↑	●	5		Medical Assistance Services	Medicaid two-year olds fully immunized	87% / 90%
ENVIRONMENTAL, HISTORIC, CULTURAL RESOURCES							
Water Quality	→	●	-		Environmental Quality	Nitrogen nutrients discharged in the Chesapeake Bay watershed (lbs.)	25.7M / 24.8M
					Forestry	Harvest sites with no sediment reaching streams	93% / 94%
PUBLIC SAFETY							
Traffic Fatalities	↑	●	10		Transportation	Traffic fatalities	1,071 / 906
Recidivism	→	●	-		Corrections	Recidivism after the Therapeutic Community Treatment Program	13.7% / 13%



GUBERNATORIAL COMMITMENT TO OUTCOMES & TRANSPARENCY

the honorable wayne turnage, chief of staff

Outcome-based Performance Management Issues Prior to Governor Kaine: Previous Governors



Year /Governor	Strategy	Outcome
1994-1998 / George Allen	Mandated comprehensive strategic planning for executive branch. Required agencies to establish goals, objectives, operational strategies, and performance measures.	Process became a paperwork exercise because it was never linked to the executive budget decision-making process. Was not a high priority relative to Governor's goals for reducing the state income tax, eliminating parole, and attacking the bureaucracy.
1998-2002 / James Gilmore	Continued the strategic planning process established by Governor Allen and required yearly updates to the system.	No real emphasis beyond the requirement that the plans be done. No ties to budget process. Attention and energies focused on eliminating the state's unpopular car tax.
2002-2006 / Mark Warner	Emphasized long-term planning and executive agreements with agency heads. Implemented a legislatively mandated strategic planning process.	Heightened focus on management of state government . Won "Best Managed State." Attention to outcome-based performance metrics came near the end of the administration.

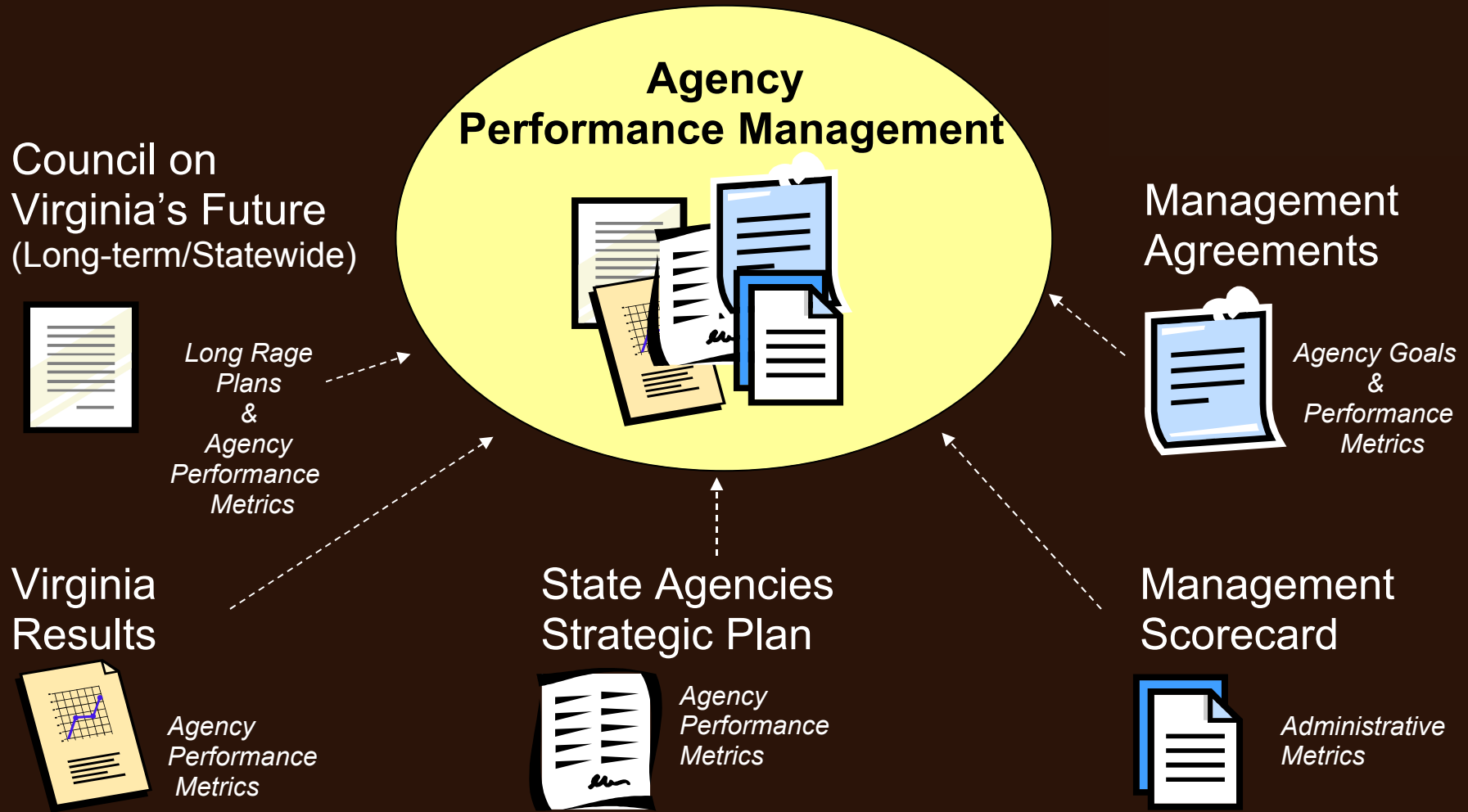
Outcome-based Performance Management Issues Prior to Governor Kaine: Other Factors



Several factors undermined attention to performance management in Virginia in past years:

- o Effort is time-consuming
- o Viewed by state employees as meaningless paperwork
- o A performance “outcome” focus is not consistent with the “process” oriented nature of bureaucrats
- o Governors often have more transcendent policy initiatives -- modernize transportation, improve public education, enhance public safety, increase healthcare access -- by which they define themselves
- o Performance management systems invite unwanted scrutiny

Virginia's Former Performance Management System: Multiple, Moving, and Unconnected Pieces



Problems with the System



Problems with the system included:

No coordination of the multiple elements – “Silo Effect”

- Redundancy
- Confusion
- Agency Frustration

Systematic problems with Agency metrics

- Too many

“...if you have hundreds of measures you have none.”

Governor Timothy Kaine

- Focused on process -- no bulls-eye to hit
- Often unrelated to agency’s main mission
- No ties to budget process

Gov. Kaine Defined Performance Management as a Major Priority for Agencies



System Component	Purpose
Agency Strategic Plan	Provides description of where agency is going and how it plans to get there – major mission, goals, strategies, <i>performance metrics, baselines, and targets</i>
Key Outcome-Based Performance Metrics	Performance indicators that provide a basis for measuring the impact of services provided
Performance Baseline	Provides starting point for measuring performance against key metrics
Performance Target	Sets expectations for performance against key measures
Management Scorecard	Administrative criteria defining effective management of agencies

Kaine's Steps to Ensure No Repeat of the Past

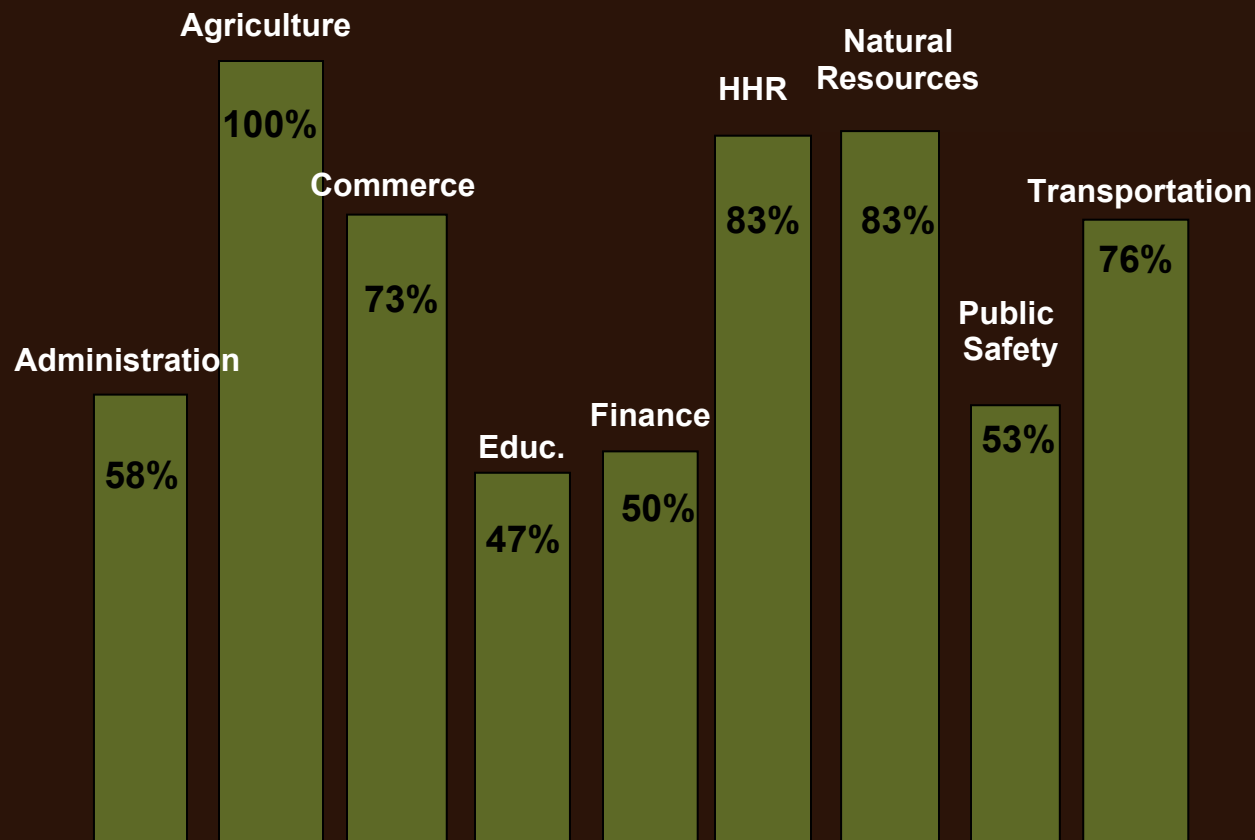
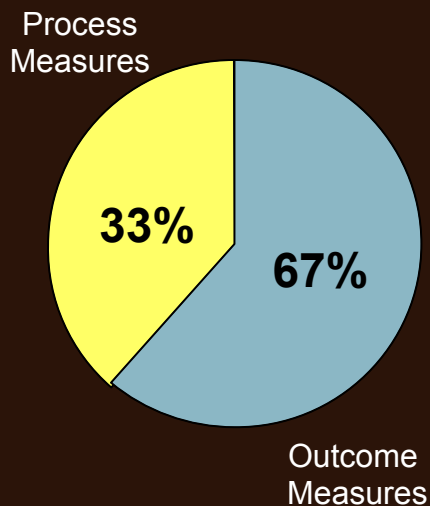


- Created an internal performance management team in the Governor's office with strong involvement by the Chief of Staff
- Solicited an external review of the existing system by known experts in the field
- Emphasized with agency heads that performance management is his number one priority
 - Met with every agency head to discuss importance of outcome-based system
 - Personally reviewed and commented upon every key agency metric
 - Held meetings with Cabinet one-year later to review performance
 - Plans to tie budget decisions to performance in upcoming budget development process for his two-year budget

Number of Outcome-based Measures by Secretariat



Total Key Measures
Statewide = 214



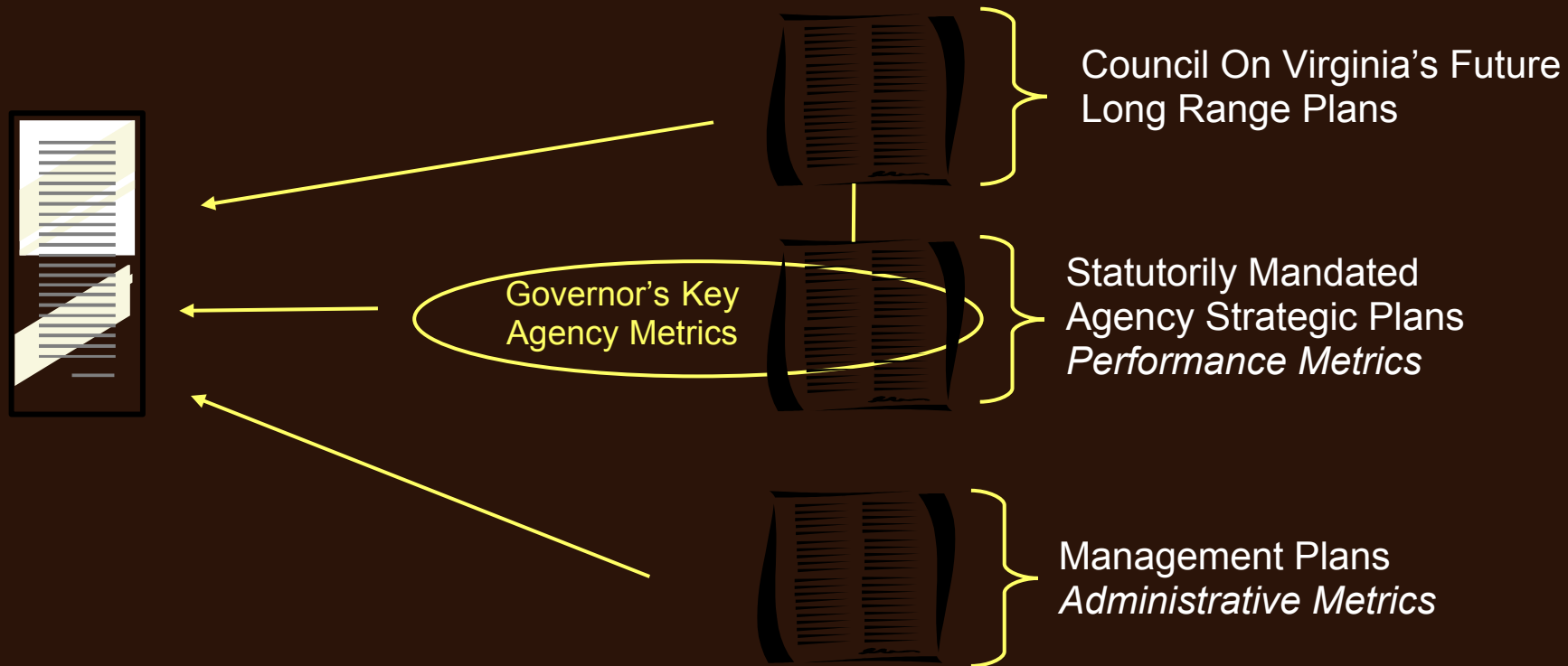
Note: There are five key measures in Technology and all are outcome based.

Virginia's Current Performance Management System Under Governor Kaine



Coordinated Performance Management System

Individual System Components





THE IMPROVEMENT AND INNOVATION OPPORTUNITY

the honorable aneesh chopra
secretary of technology

A Model to Spur Innovation and Productivity in State Government



ESG Mission

Partner with state agencies to:

- identify, catalyze and implement innovative solutions
- enable a simpler and more effective government for the benefit of the citizens of the Commonwealth

Approach

- Lean direct staffing; leverage agency and/or external resources where appropriate
- Manage deployment of the Productivity Investment Fund (PIF), which is \$3MM in “seed capital” created to catalyze innovative projects that support one or more key outcomes

Key Outcomes

- Improve the constituent experience (e.g., better results, shorter transaction time, reduced constituent expenses)
- Increase government operating efficiency
- Advance Governor’s key agency performance objectives

Comprehensive Summary of Effectiveness and Efficiency Agenda



Our Purpose
Elevate Performance

Cost Savings
(15 Initiatives)

- **Productivity Investment Fund**

- \$1.06M investment
- 4 Projects
- Projected **5x** ROI

- **Operational Reviews**

- 11 Projects
- All volunteer staff (no investment)

Service Improvements
(4 Initiatives)

- **Digital Platforms (“One-Stops”)**

- \$440K investment
- 4 Projects
- Projected **40-50%** reduction in constituent transaction times

Enterprise Seed Capital
(4 Initiatives)

- **Shared Operating Services**

- \$106K investment*
- 2 Projects
- Multi-agency effort underway

- **Public-Private Partnerships**

- **\$100K** investment
- 2 Projects
- Public-private effort underway

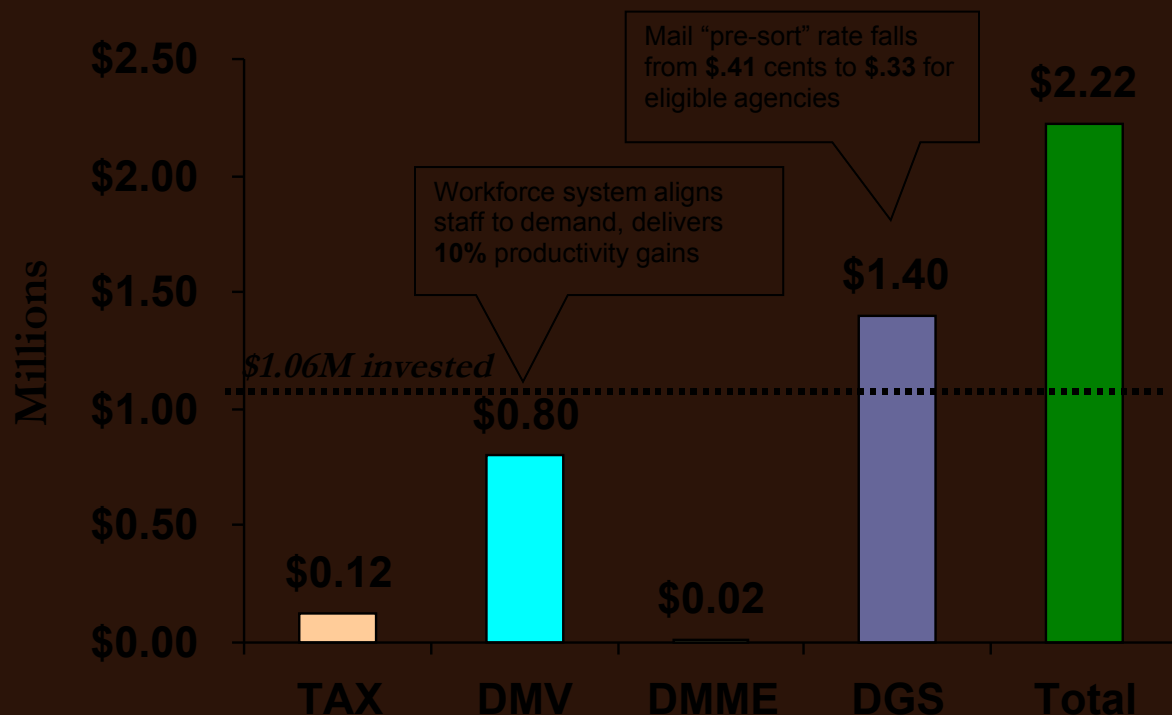
Effective Public & Private Sector Governance
(Enterprise Solutions Oversight Board & Productivity Advisory Committee)

**Does not include \$11M dedicated towards VEAP Project Planning*

Cost Savings Portfolio: Expected to Return 5x ROI within 3 Years



Annualized Savings Potential – Base Case



Using the base case, the 3-year return per dollar invested is approximately \$5

Productivity Investment Fund in Brief

Capital: Governor Kaine established **\$3M** fund in **January** to simplify government operations; encouraged all agencies to apply by **March, 2007**

Goals: In addition to **operating cost savings**, PIF encourages agencies to **lower constituent transaction time** and advance the Governor's **key performance measures**

Portfolio: In **May**, we invested **\$1.3M** of which **\$1.06M** funded the following savings initiatives:

- DGS: Mail Consolidation
- DMV: Workforce Mgmt System
- Dept of Tax: Image Cash Letter
- DMME: Field GIS

Early Diagnostic Effort Shows Promise



Initial Focus Areas

- Energy
- Fleet
- Travel
- Mail
- Print/Copy/Paper
- Return to Work
- Communications (Voice/Data)
- Water
- Solid Waste
- Receivables
- Staff Augmentation (Temp Labor)

Selection Criteria

- Fundamental to all agencies
- Good ideas can be shared and leveraged across the enterprise for greater efficiency and effectiveness
- Reviewing and coordinating at the enterprise level will facilitate greater bargaining power

Timeline

- Research teams work for 3 – 5 months to deliver a final report that defines for topics in detail:
 - Overall cost drivers
 - Usage level of best practices
 - Opportunity to leverage enterprise scale in the market
 - Recommendations to improve Commonwealth performance and cost-effectiveness
- Reports will be reviewed by oversight group which will then make recommendations to the Governor

Leveraging Digital Platforms to Improve Service



Pilot Project

Description

Business One Stop

New website designed to streamline myriad forms required to start a new business in Virginia and avoid data entry duplication; of **37** most common forms, **445** data fields include **324** duplicates

Turbo-Vet

New website designed to streamline federal veteran's benefits application; current veteran wait times of **240 days** for final answer expected to fall to **100 days** through more accurate submissions

Mining Permit e-Forms

New web-based mining permit process to dramatically lower time to complete; current **90 day** time period to fall to **14 days**, and allow for multi-year renewals, further lowering industry regulation costs

Streamlined Medicaid Application

New web-based Medicaid application for aged, blind and disabled to dramatically lower time to determine eligibility; current **90 day** period to fall to **45 days**, and allow volunteers to ensure application accuracy before submission

\$440K investment should lower constituent transaction time 40-50%, saving citizens time and money

Simplifying Operations: Link Public and Private Sector Experts



Public Sector

Governor
(Chief of Staff)

ESG Oversight Board
Secretary of Technology (Chair)
Secretary of Finance
Secretary of Administration
CIO, VITA*
Dir., Dept. of Human Resource Mgmt*
Dir., Dept. of Planning & Budgeting*

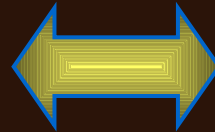
Enterprise Solutions Group

Private Sector

Enterprise Solutions Group
Productivity Advisory Committee

Role of Advisory Committee

Advise on Commonwealth's approach to effective and efficient government operations; network resources where appropriate and facilitate best practice sharing to create a long-term culture of continuous performance improvement.



A Structured Approach to Sustainable, Continuous Change

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Simplify Government		
1 Ideas	2 Skills	3 Leadership
<ul style="list-style-type: none">• Uncover internally-led creative solutions• Surface emerging ideas through private sector partners <p><u>Case Study #1: Google</u> Build a “Virtual Lab” to surface ideas from within agencies, the private sector, or political leaders</p>	<ul style="list-style-type: none">• Identify top performers across the enterprise• Invest in training programs to support implementation <p><u>Case Study #2: Southwest</u> Pursue continuous improvement through discipline and a focus on staff productivity</p>	<ul style="list-style-type: none">• Build the organizational will for change• Establish a common language and methodology for consistent performance <p><u>Case Study #3: GE</u> Engage all leaders in the cycle of performance improvement; empower managers to participate, drive results</p>

Innovative Ideas: Four Strategic Levers



Lever

Description

Personalized Government

Agencies build processes from the perspective of **key customer segments**; goal to **streamline transaction time**, especially across related agencies

Shared Operating Services

Agencies consolidate a set of “**non-core**” **activities** which are common across the enterprise; goal to **free resources** to focus on core mission

Digital Government

Agencies drive more **online transaction volume**, digitize additional transaction processes, and design online experiences based on the needs of specific customer segments; goal to **leverage low-cost service channel**

Business Intelligence

Agencies **leverage multiple data sets** to allocate (limited) resources where needed; goal to advance key objectives through **elevated staff productivity**

Virginia Professor Removes Arsenic for 99% Less Than Market Rate



An Inspired Dream

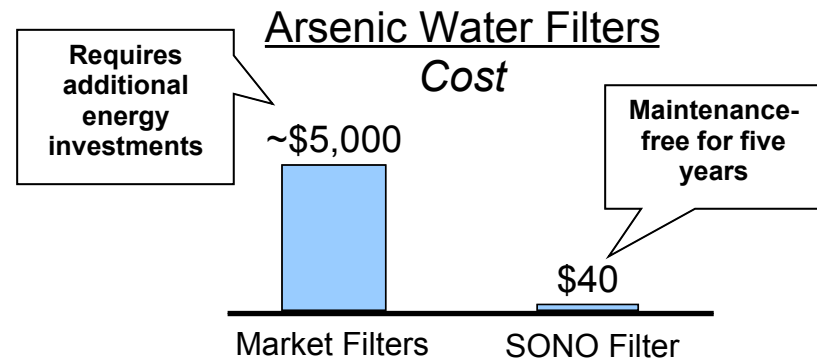


Public Sector Innovation

Goal: Develop low-cost method to remove arsenic from water; 10+ million people suffer without treatment

Solution: A simple, maintenance-free system that uses sand, charcoal, bits of brick and shards of a type of cast iron; each filter has 20 pounds of porous iron, which forms a chemical bond with arsenic

Results: GMU Professor Abul Hussam wins **\$1M** Grainger Prize for \$40 solution; donates **70%** to buy filters for Third World





IN CLOSING ...

jane kusiak, executive director
council on virginia's future

Points to Remember



- Making a performance-based system work is a journey, not a sprint
- Buy-in -- at all levels of the enterprise -- is essential
- Bipartisanship -- in philosophy, approach and participants -- is critical
- Efforts must be citizen-oriented, with a simple, clear message
- Efforts need to transcend bureaucracy and focus on real services and real outcomes

Sites of Interest



Virginia Performs:

www.VaPerforms.virginia.gov

Council on Virginia's Future:

www.future.virginia.gov

Enterprise Solutions Group:

www.innovations.vi.virginia.gov